

Society for Teaching and Learning in Higher Education

Financial Statements December 31, 2021

Independent Auditor's Report

To the Members of Society for Teaching and Learning in Higher Education

Qualified Opinion

We have audited the financial statements of Society for Teaching and Learning in Higher Education, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Society for Teaching and Learning in Higher Education as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Qualified Opinion

In common with many not-for-profit organizations, Society for Teaching and Learning in Higher Education derives revenue from membership activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Society for Teaching and Learning in Higher Education. Therefore, we were not able to determine whether any adjustments might be necessary to membership revenue, excess revenues (expenses), and cash flows from operations for the years ended December 31, 2021 and December 31, 2020, current assets as at December 31, 2021 and December 31, 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Society for Teaching and Learning in Higher Education in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of Society for Teaching and Learning in Higher Education for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on June 16, 2021, for reasons described in the *Basis for Qualified Opinion* section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Society for Teaching and Learning in Higher Education's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Society for Teaching and Learning in Higher Education or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society for Teaching and Learning in Higher Education's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Society for Teaching and Learning in Higher Education's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Society for Teaching and Learning in Higher Education's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Society for Teaching and Learning in Higher Education to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Arsenault Best Cameron Ellis

Chartered Professional Accountants

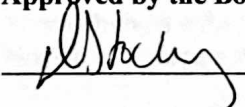
Society for Teaching and Learning in Higher Education

Statement of Financial Position

As at December 31, 2021

	2021 \$	2020 \$
Assets		
Current assets		
Cash	381,316	442,214
Short-term investments	163,355	107,187
Accounts receivable	21,000	5,212
HST recoverable	18,880	36,858
Prepaid expenses	66,493	11,603
	<u>651,044</u>	<u>603,074</u>
Long-term investments	219,244	269,274
Long-term prepaid expenses	-	51,763
	<u>870,288</u>	<u>924,111</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	33,932	52,090
Deferred membership revenue	61,465	79,296
Deferred conference revenue	-	4,640
	<u>95,397</u>	<u>136,026</u>
Contingency (note 6)		
Net Assets		
Unrestricted	658,730	604,224
Restricted	116,161	183,861
	<u>774,891</u>	<u>788,085</u>
	<u>870,288</u>	<u>924,111</u>

Approved by the Board of Directors

 Director

(1)

 Director

Society for Teaching and Learning in Higher Education

Statement of Changes in Net Assets - Unrestricted

For the year ended December 31, 2021

	2021 \$	2020 \$
Unrestricted		
Net assets - Beginning of year	604,224	620,693
Excess expenses for the year	(26,172)	(9,319)
Transfers from (to) other funds:		
EDC	(8,000)	(9,150)
D2L	2,500	2,000
EDC	86,178	-
Net Assets - End of year	<u>658,730</u>	<u>604,224</u>

Society for Teaching and Learning in Higher Education

Statement of Changes in Net Assets - Restricted
For the year ended December 31, 2021

	Council of Fellows \$	EDC \$	D2L Innovation Award \$	Student Bursary and Support \$	2021 Total \$	2020 Total \$
Balance - Beginning of year	24,482	83,355	52,726	23,298	183,861	183,240
Excess revenue (expenses) for the year	(525)	(5,177)	18,680	-	12,978	(6,529)
Transfer from unrestricted fund (note 5)	-	8,000	-	-	8,000	9,150
Transfers to unrestricted funds (note 5)	-	(86,178)	(2,500)	-	(88,678)	(2,000)
Balance - End of year	23,957	-	68,906	23,298	116,161	183,861

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Society for Teaching and Learning in Higher Education

Statement of Operations

For the year ended December 31, 2021

	General Operations	Council of Fellows	EDC	D2L Innovation Award	Student Bursary and Support	2021 Total	2020 Total
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Book sales	272	-	-	-	-	272	31
Conference	11,704	-	-	-	-	11,704	-
Conference admin fees	-	-	-	-	-	-	4,000
Corporate funding	165,000	-	-	20,000	-	185,000	185,000
Individual membership dues	47,554	-	9,493	-	-	57,047	61,928
Institutional membership dues	80,000	-	-	-	-	80,000	91,500
Interest and other income	7,294	-	-	-	-	7,294	10,240
Other conference	-	-	20,240	-	-	20,240	5,213
	311,824	-	29,733	20,000	-	361,557	357,912
Expenses							
Administration	24,152	-	-	-	-	24,152	11,644
Advertising and selection	3,456	-	-	-	-	3,456	9,137
Conference (note 4)	23,939	-	15,736	-	-	39,675	43,536
EDC Institute	-	-	-	-	-	-	240
Engagement (note 4)	46,705	-	-	-	-	46,705	31,301
Grants and awards (note 4)	31,073	525	17,604	-	-	49,202	107,421
Insurance	5,822	-	-	-	-	5,822	1,539
Journal (CJSOTL)	293	-	-	-	-	293	5,656
Management fee (note 4)	67,570	-	-	-	-	67,570	82,318
Miscellaneous	697	-	-	-	-	697	3,089
Professional fees	31,203	-	-	-	-	31,203	17,069
Publications	80	-	-	-	-	80	9,911
Registration and meetings	-	-	-	-	-	-	248
Retreat and facilitation	53,897	-	-	-	-	53,897	2,500
Special projects	500	-	99	-	-	599	8,138
Translation	20,357	-	1,471	1,320	-	23,148	13,744
Travel	15,986	-	-	-	-	15,986	2,107
Website maintenance	12,266	-	-	-	-	12,266	24,162
	337,996	525	34,910	1,320	-	374,751	373,760
Excess revenue (expenses) for the year	(26,172)	(525)	(5,177)	18,680	-	(13,194)	(15,848)

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Society for Teaching and Learning in Higher Education

Statement of Cash Flows

For the year ended December 31, 2021

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Excess expenses for the year	(13,194)	(15,848)
Net change in non-cash working capital items		
Increase in accounts receivable	(15,788)	(5,102)
Decrease (increase) in HST recoverable	17,978	(9,613)
Increase in prepaid expenses	(3,127)	(19,859)
Increase (decrease) in accounts payable and accrued liabilities	(18,158)	21,632
Decrease in deferred membership revenue	(17,831)	(13,984)
Increase (decrease) in deferred conference revenue	(4,640)	640
	<u>(54,760)</u>	<u>(42,134)</u>
Investing activity		
Increase in investments	<u>(6,138)</u>	<u>(8,543)</u>
Decrease in cash	<u>(60,898)</u>	<u>(50,677)</u>
Cash - Beginning of year	<u>442,214</u>	<u>492,891</u>
Cash - End of year	<u>381,316</u>	<u>442,214</u>

Society for Teaching and Learning in Higher Education

Notes to Financial Statements

December 31, 2021

1 Organization

The Society for Teaching and Learning in Higher Education (the "Society") was incorporated without share capital under the Canada Corporations on September 17, 2008. On May 12, 2016, the Society received certification of continuance under the Canada Not-for-Profit Corporations Act. The Society has adopted as its purpose "to collaborate efforts to enhance the effectiveness of university teaching and learning". The Society accomplishes this through education, information and a forum for consensus building.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements include the following significant accounting policies:

Cash

Cash consists of operating bank account balances.

Short-term investments

Short-term investments consist of Guaranteed Investment Certificates with a maturity date of less than 12 months. Accrued interest is recorded up to the reporting date.

Long-term investments

Long-term investments consist of Guaranteed Investment Certificates with a maturity date greater than 12 months. Accrued interest is recorded up to the reporting date.

Fund accounting

The Society maintains its accounts using fund accounting with resources classified into funds in accordance with specified activities or objectives.

Council of National Fellows for Teaching and Learning in Higher Education (Council of Fellows)

The Council shares the aims of the Society, advises the National Teaching and Student Fellowships Program Coordinators, and undertakes projects that enhance teaching and learning in Canadian post-secondary institutions. The Council is a constituency within the Society.

Society for Teaching and Learning in Higher Education

Notes to Financial Statements

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Educational Developers Caucus (EDC)

The Caucus defined itself as a community of practice with a mission to work within the aims and structure of the Society to facilitate the advancement and evolution of educational development as a field of practice and scholarship by communications, networking, professional development opportunities and advocacy strategies. Annual activities of the fund included a conference. 10% of institutional membership fees were transferred from the Unrestricted Fund to the EDC Fund annually for a grants program.

The EDC membership requested that the community of practice be dissolved within the Society. As a result, the fund was dissolved as a separate fund in Fall 2021 and the fund balance was transferred to the Unrestricted Fund. Although the Caucus has been dissolved, STLHE continues to provide the 10% of institutional membership fees for an Educational Development grants program and supports other opportunities for educational developers.

D2L Innovation Award in Teaching and Learning

Established in 2012, the D2L Innovation Award in Teaching and Learning, sponsored by D2L (Desire2Learn), celebrates and recognizes up to five post-secondary educators each year for their innovative approaches that promote student-centred teaching and learning.

Student Bursary and Support

The Society's Student Bursary and Support was established to assist student participation in the Society's conference as funds permit.

Revenue recognition

The Society allows the restricted fund method of accounting for contributions. Restricted contributions, related to a particular fund, are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no related restricted fund are deferred and recognized as revenue of the operating fund when the relating restrictions have been met. Unrestricted contributions are recognized as revenue in the operating fund.

Individual memberships are on an anniversary date based on the date of membership renewal. Membership fees are recorded as revenue in the year to which the membership relates. If membership fees are received in advance for a subsequent period, this membership revenue is deferred.

Institutional membership fees are recorded in the year in which the membership relates.

Conference registration and exhibitor fees are recognized in the year during which the related conference is held.

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Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Since January 31, 2020, the outbreak of COVID-19 (coronavirus) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown, and global equity markets have experienced significant volatility. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the outcome of government and central bank interventions.

In management's estimation, these events have not had a material impact on the carrying value of assets and liabilities reported in these financial statements as at December 31, 2021. The duration and impact of the COVID-19 pandemic remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Society for future periods.

Financial instruments

(a) Measurement of financial instruments

Society for Teaching and Learning in Higher Education's financial instruments consist of cash, short-term, long-term investments, accounts receivable, and accounts payable and accrued liabilities.

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

(b) Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenue (expenses). A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess revenue (expenses) for the year.

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Notes to Financial Statements

December 31, 2021

(c) Risks

Transacting in financial instruments exposes the company to certain financial risks and uncertainties. These risks include:

- i) Credit risk: The Society is exposed to credit risk in connection with the collection of its accounts receivable. The Society mitigates this risk by performing continuous evaluation of its accounts receivables.
- ii) Liquidity risk: The Society's exposure to liquidity risk is dependent the collection of accounts receivable and raising of funds to meet commitments and sustain operations. The Society controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

3 Commitments

Executive Leadership and Administrative Services

Executive leadership and administrative services are provided by AOR Solutions at an annual fee of \$66,462, plus applicable taxes, effective March 1, 2020 for a term of five years ending February 28, 2025.

Communications and Conference Coordination Services

Communications and conference coordination services are provided by AOR Solutions at an annual fee of \$60,112, plus applicable taxes, effective November 11, 2019 for a term of three years ending November 11, 2022.

4 Related party transactions

During the year, the Society paid \$67,570 (2020 - \$61,901) in management fees, \$64,733 (2020 - \$60,112) in conference and communications management fees, nil (2020 - \$11,475) in website maintenance fees, and \$8,500 (2020 - nil) in resource development fees to a company which also provides management services to the Society. The related company, in addition to fees, is reimbursed for certain administrative costs. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the Society and related parties.

5 Inter-fund transfers

During the year, the Board approved the following inter-fund transfers:

- \$2,500 from the D2L fund to the unrestricted fund for administrative fees of the D2L fund;
- \$8,000 from the unrestricted fund to the EDC fund for share (10%) of annual institutional memberships received by general operations; and
- \$86,178, being the remaining fund balance, from the EDC fund to the unrestricted fund, as EDC was dissolved in November 2021.

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Notes to Financial Statements

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6 Contingency

The Society was named in a legal dispute in January 2021. No amount has been accrued in the accounts of the Society as the outcome of the dispute is uncertain at this time, and the amount of the liability (if any) is covered by insurance.

7 Comparative figures

Certain comparative figures presented for the 2020 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.